



# Department of Justice

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## **JUSTICE DEPARTMENT REACHES AGREEMENT TO RESOLVE POTENTIAL COMPETITIVE ISSUES OF MITTAL STEEL'S ACQUISITION OF ARCELOR**

### ***Mittal to Divest Dofasco Inc. or Alternative Asset if Justice Department Finds Mittal/Arcelor Combination to be Anticompetitive***

WASHINGTON — The Department of Justice today announced that it has reached an agreement with Mittal Steel Company N.V. regarding its offer to acquire Arcelor S.A. The agreement would resolve possible antitrust concerns in the event that the Antitrust Division concludes the combination of Mittal and Arcelor raises anticompetitive concerns.

Under the agreement, the Department will continue to investigate the competitive implications of the combination of Mittal and Arcelor — the world's two largest steel producers. The agreement requires Mittal to divest Dofasco Inc., currently owned by Arcelor, to ThyssenKrupp AG in the event the Department determines the combination of Mittal and Arcelor is likely to result in a substantial lessening of competition. If Mittal acquires Arcelor but is unable to divest Dofasco, the agreement requires Mittal to divest certain alternative assets to a buyer acceptable to the Department. The Department has determined that the divestiture of either Dofasco or the alternative assets would address the potential competitive problem identified by the Department. This agreement enables the Department to complete its investigation and, if necessary, to implement an adequate remedy while Mittal's tender offer proceeds.

Mittal, headquartered in Rotterdam, The Netherlands with operations in 15 countries, shipped 47.6 million tons and had revenues of \$31.2 billion worldwide in 2004. Arcelor, a Luxembourg-based producer of flat and long products operating primarily in Europe had 2004 worldwide shipments of 47 million tons and revenues of \$36 billion. Dofasco, Canada's largest steelmaker, had 2004 shipments of 4.8 million tons and revenues of \$3.7 billion. Arcelor acquired Dofasco in February 2006. ThyssenKrupp, a flat products producer with operations primarily in Germany, had worldwide shipments of 12.7 million tons and revenues of \$9.7 billion in 2004.

The Hart-Scott-Rodino (HSR) Act imposes notification and waiting period requirements on parties to transactions that exceed certain thresholds. The HSR waiting period enables the Department to investigate transactions before they are consummated so that the Department may seek to modify or block deals that it concludes are anticompetitive before they close and competition is harmed. In appropriate circumstances, the Department may allow the waiting period to expire before it has concluded its investigation, if it reaches an agreement with the parties that ensures an adequate remedy will be implemented if the Department ultimately determines that one is necessary.

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